

NOTICE OF PROPOSED RULE AMENDMENT

- The agency identified below in box 1 provides notice of proposed rule change pursuant to Utah Code Section 63G-3-301 and Subsection 53C-1-201(3)(c).
- Please address questions regarding information on this notice to the agency.
- The full text of all rule filings is published in the Utah State Bulletin unless excluded because of space constraints.
- The full text of all rule filings may also be inspected at the Division of Administrative Rules.

Agency Information

- Agency: Insurance - Administration
 Room no.: 3110
 Building: STATE OFFICE BLDG
 Street address 1: 450 N MAIN ST

 Street address 2:
 City, state, zip: SALT LAKE CITY UT 84114-1201
 Mailing address 1: PO BOX 146901

 Mailing address 2:
 City, state, zip: SALT LAKE CITY UT 84114-6901

Contact person(s):

Name: Phone: Fax: E-mail:

Jilene Whitby	801-538-3803	801-538-3829	jwhitby@utah.gov
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(Interested persons may inspect this filing at the above address or at DAR during business hours)

Rule Information

DAR file no: 33874 Date filed: 08/02/2010 03:26 PM
 State Admin Rule Filing Key: 149994
 Utah Admin. Code ref. (R no.): R 590 - 167 -
 Changed to Admin. Code ref. (R no.): - -

Title

- Title of rule or section (catchline):
 Individual, Small Employer, and Group Health Benefit Plan Rule

Notice Type

- Type of notice: Amendment

Rule Purpose

- Purpose of the rule or reason for the change:
 This rule is being changed to implement the changes in Utah law as a result of H.B. 294, Health System Reform Amendments, which was passed during the 2010 Legislative Session.

Response Information

- This change is a response to comments by the Administrative Rules Review Committee.
 No

Rule Summary

- Summary of the rule or change:
 The changes restrict the number of classes an insurer can use for rating insurance pools; adopts age bands for rating

purposes; and disallows an insurer from rating employers based on the number of employees they have.

Aggregate Cost Information

7. Aggregate anticipated cost or savings to:

A) State budget:

Affected: No

Health insurers will have to electronically refile their rating manuals with the department for their individual and small employer health benefit plans. This will increase the department's work load to be born by existing employees. There will be no increased cost or savings to the state or the department's budget.

B) Local government:

Affected: No

This rule only deals with the relationship between the department and its health insurance licensees. It will not affect local governments.

C) Small businesses:

Affected: No

("small business" means a business employing fewer than 50 persons)

Small employers may see a change in their health insurance premium rates based on the average age of their employees and the groups size.

D) Persons other than small businesses, businesses, or local government entities:

Affected: No

("person" means any individual, partnership, corporation, association, governmental entity, or public or private organization of any character other than an agency)

Employees or employers may see a change in the cost of their health insurance premium due to the the average age of their employees and the groups size.

Compliance Cost Information

8. Compliance costs for affected persons:

Insurers will have to use actuarial services if they don't have their own actuary, to reprice their small employer health insurance policies.

Department Head Comments

9. A) Comments by the department head on the fiscal impact the rule may have on businesses:

Employer groups may see a change in their health insurance premiums based upon the the average age of their employees and the groups size.

B) Name and title of department head commenting on the fiscal impacts:

Neal T. Gooch, Commissioner

Citation Information

10. This rule change is authorized or mandated by state law, and implements or interprets the following state and federal laws.

State code or constitution citations (required) (e.g., Section 63G-3-402; Subsection 63G-3-601(3); Article IV) :

31A-30-106.1

31A-2-201

Incorporated Materials

11. This rule adds, updates, or removes the following title of materials incorporated by references (a copy of materials incorporated by reference must be submitted to DAR; if none, leave blank) :

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Official Title of Materials Incorporated (from title page):

Publisher:

Date Issued:

Issue, or version:

ISBN Number:

ISSN Number:

Cost of Incorporated Reference:

Adds, updates, removes:

Comments

12. The public may submit written or oral comments to the agency identified in box 1. (The public may also request a hearing by submitting a written request to the agency. The agency is required to hold a hearing if it receives requests from ten interested persons or from an association having not fewer than ten members. Additionally, the request must be received by the agency not more than 15 days after the publication of this rule in the Utah State Bulletin. See Section 63G-3-302 and Rule R15-1 for more information.)

A) Comments will be accepted until 5:00 p.m. on (mm/dd/yyyy) :

09/14/2010

B) A public hearing (optional) will be held:

On (mm/dd/yyyy): At (hh:mm AM/PM): At (place):

09/01/2010

11:00 AM

State Office Building, 450 N State Street, Room 3112, Salt Lake City,
UT

Proposed Effective Date

13. This rule change may become effective on (mm/dd/yyyy):

09/21/2010

NOTE: The date above is the date on which this rule MAY become effective. It is NOT the effective date. After the date designated in Box 12(A) above, the agency must submit a Notice of Effective Date to the Division of Administrative Rules to make this rule effective. Failure to submit a Notice of Effective Date will result in this rule lapsing and will require the agency to start the rulemaking process over.

Indexing Information

14. Indexing information - keywords (maximum of four, in lower case, except for acronyms (e.g., "GRAMA") or proper nouns (e.g., "Medicaid")):
- health insurance

File Information

15. Attach an RTF document containing the text of this rule change (filename):

There is a document associated with this rule filing.

To the Agency

Information requested on this form is required by Sections 63G-3-301, 302, 303, and 402. Incomplete forms will be returned to the agency for completion, possibly delaying publication in the Utah State Bulletin, and delaying the first possible effective date.

Agency Authorization

Agency head or designee, and title:

Jilene Whitby Information
Specialist

Date (mm/dd/yyyy): 08/02/2010